



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

FIRST CLASS MAIL

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D. Jeffery Haffner, Esq.
Tesoro Petroleum Corporation
300 Concord Plaza Drive
San Antonio, TX 78216-6999

Re: United States et al. vs. BP Exploration & Oil Co., Inc et al., Civil Action No. 2:96
CV 95 RL (N.D. Ind. 2001) – Acid Gas Flaring Incident on October 7-9, 2003 at
the Mandan, North Dakota Refinery

Dear Sirs:

The United States Environmental Protection Agency (EPA) received a report dated October 31, 2003, regarding the October 7-9, 2003 acid gas flaring incident at the Tesoro Petroleum Companies, Inc. (Tesoro) refinery located in Mandan, North Dakota. Based on the information submitted in the reports, EPA has determined that the flaring incident resulted from the start-up of the refinery following a scheduled maintenance event. Therefore, according to Paragraph 22.A.i.i, no corrective actions are required and no stipulated penalties are assessed.

Tesoro reports that the October 7-9, 2003 Acid Gas Flaring Incident lasted for 31.6 hours and resulted in the release of 1.2 tons of sulfur dioxide (SO₂) to the atmosphere. Tesoro also reports that the only cause of the flaring incident was the startup of the refinery following a scheduled maintenance event that was in compliance with the Operation and Scheduled Maintenance Plan required by the Consent Decree. To minimize the flaring incident, Tesoro started the sulfur recovery unit as quickly as possible once acid gas became available at a sufficient rate to support unit operations.

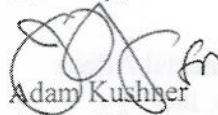
EPA concurs with Tesoro's assessment of the root cause, and notes that per Paragraph

Source/Tesoro/Mandan/ Tesoro-Mandan-ag-03-10-07-PM.pdf

22.A.i.i of the Consent Decree, the requirements of Paragraphs 22.A.i.e. through h do not apply to flaring incidents that occur at the Mandan facility during start-ups associated with scheduled maintenance so long as such maintenance is in compliance with the applicable of Operation and Scheduled Maintenance. Therefore, EPA finds that no corrective actions were required and no penalties are assessed. EPA notes that this is the fourth flaring incident at the Mandan refinery since entry of the Consent Decree and the first acid gas flaring incident at the Mandan refinery in a rolling 12-month period.

If you have any questions about this response, please contact Mr. Patric McCoy at (312) 886-6869 or Mr. Scott Whitmore at (303) 312-6317.

Sincerely,



Adam Kushner

Acting Director

Air Enforcement Division

cc (electronically): Scott Whitmore, U.S. EPA, Region 8
Tom Bachman, Division of Air Quality, NDDH
Nathan Frank, U.S. EPA, Region 5
Patric McCoy, U.S. EPA, Region 5
Teresa Dykes, U.S. EPA, HQ
Norma Eichlin, Matrix Environmental & Geotechnical Services